

FY 2014 - 2019 Water Rate Analysis

On March 6, 2014, staff presented 4 scenarios for the Board to consider based on different system reinvestment funding percentages.

	Rate Adjustment	FY 2015 Bill ¹	FY 2016 Bill	FY 2017 Bill	FY 2018 Bill	FY 2019 Bill
Scenario 1	3.75%	\$65.62	\$68.08	\$70.64	\$73.28	\$76.03
Scenario 2	3.25%	\$65.31	\$67.43	\$69.62	\$71.88	\$74.22
Scenario 3	2.00%	\$64.52	\$65.81	\$67.12	\$68.46	\$69.83
Scenario 4	0.75%	\$63.72	\$64.20	\$64.68	\$65.17	\$65.66

Under all 4 options, the reserve balances and debt service coverage was met.

¹ Typical residential ¾" service and 16,000 gals per month

With the exception of Scenario 1, Scenarios 2, 3 and 4 deviate from the County Financial Policies with regards to system reinvestment for existing assets

Board Direction – Water Rate Analysis

Scenario 2

System Reinvestment

2015 = 50%, 2016 = 60%, 2017 = 70%, 2018 = 80% , 2019 = 90%

	FY 2015	FY 2016	FY 2017	FY 2108	FY 2019
Rate Adjustment	3.25%	3.25%	3.25%	3.25%	3.25%
Monthly Bill	\$65.31	\$67.43	\$69.62	\$71.88	\$74.22
Ending Fund Balance	\$2,587,157	\$3,057,565	\$3,708,940	\$4,333,947	\$6,406,619
Target Reserves ¹	\$1,277,809	\$1,478,087	\$1,513,178	\$1,541,580	\$1,584,433
Debt Coverage	1.55	1.59	1.61	2.14	2.16

¹ Includes operating, capital, emergency and AB 198 reserves

FY 2014 - 2019 Sewer Rate Analysis

Staff presented 4 scenarios for the Board to consider based on different system reinvestment funding percentages.

	Rate Adjustment	FY 2015 Bill ¹	FY 2016 Bill	FY 2017 Bill	FY 2018 Bill	FY 2019 Bill
Scenario 1	6.00%	\$65.12	\$69.02	\$73.16	\$77.55	\$82.21
Scenario 2	2.70%	\$63.09	\$64.79	\$66.54	\$68.34	\$70.18
Scenario 3	2.00%	\$62.22	\$63.91	\$65.19	\$66.49	\$67.82
Scenario 4	1.25%	\$62.20	\$62.98	\$63.76	\$64.56	\$65.37

Under all 4 options, the reserve balances and debt service coverage was met.

With the exception of Scenario 1, Scenarios 2, 3 and 4 deviate from the County Financial Policies with regards to system reinvestment for existing assets

Board Direction – Sewer Rate Analysis

Annual 3.25% Increase

System Reinvestment

2015 = 20%, 2016 = 30%, 2017 = 40%, 2018 = 50%, 2019 = 60%

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Rate Adjustment	3.25%	3.25%	3.25%	3.25%	3.25%
Monthly Bill ¹	\$63.43	\$65.49	\$67.62	\$69.81	\$72.08
Combined Ending Fund Balance	\$2,351,098	\$2,485,187	\$2,949,922	\$3,431,748	\$3,925,404
Target Reserves ²	\$883,209	\$923,864	\$935,895	\$949,601	\$964,116
Debt Coverage	1.26	1.28	1.81	1.83	1.84

¹ Monthly bill per equivalent dwelling unit (EDU)

² Includes operating, capital, and emergency reserves